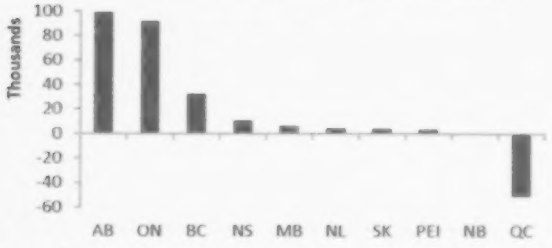
## Labour Force

***Strong showing for Alberta's labour market in 2011...***

Alberta's labour market concluded a strong year, creating jobs for the 8th consecutive month in December. While the pace of job growth slowed to only 800 new positions last month, the province recorded the largest year-over-year increase in employment of all provinces (+98,800). Alberta has been responsible for half of the new jobs created in Canada since December 2010, with all of the gains coming from new full-time, private sector positions.

**Job Creation Since December 2010**




*Source: Statistics Canada*

As a result of robust job growth, Alberta's labour market is tightening. The unemployment rate fell below 5% for the first time since January 2009, dipping 0.1 percentage points to 4.9% in December. Alberta now has the lowest unemployment rate in Canada, coming in below Saskatchewan's 5.2%.

Nationally, employment increased by 17,500 after two consecutive months of decline, with all provinces posting an increase except Quebec. Despite the gain, the unemployment rate edged up 0.1 percentage point to 7.5%, as more people entered the labour force.

## Canada Industrial Product & Raw Materials Price Index

***Price indices well above last year levels...***

Prices for industrial products and raw materials continue to track above last year's levels. Industrial product prices were up 4.2% in November from the same month last year, led by higher petroleum prices. Meanwhile, raw materials were up a sharp 11.7% over the same period, lifted by a jump in mineral prices.

## Farm Product Price Index (FPPI)

***Farm products prices continue to rise...***

Alberta farmers continue to benefit from higher product prices. The FPPI rose 10.5% in October from the same month last year, driven by higher livestock and field crops prices. This represented the 15th consecutive month of year over year gains.

| | | |
|---|---|---|
| **Canadian Dollar (US¢/C$)** | | |
| 0.6% | January 6, 2012 | 97.73 |
| | December 30, 2011 | 98.33 |
| | *2011-12 Fiscal YTD Average* | 100.94 |
| **WTI Oil US$/bbl*** | | |
| 2.7% | January 6, 2012 | $101.56 |
| | December 30, 2011 | $98.83 |
| | *2011-12 Fiscal YTD Average* | $95.43 |
| **Nymex Natural Gas US$/MMBtu*** | | |
| 2.3% | January 6, 2012 | $3.06 |
| | December 30, 2011 | $2.99 |
| | *2011-12 Fiscal YTD Average* | $3.96 |

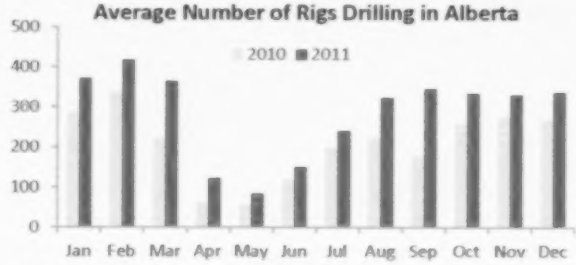
**Based on the closing price of the near month contract*

## Rigs Drilling

***Drilling activity closes out 2011 on a strong note...***

Alberta drilling activity grew to levels not seen in five years in 2011. The average number of rigs drilling rose 37.9% to 285 in 2011, with gains posted in every month of the year. In December, rigs drilling were up 25.7% from levels a year ago.

**Average Number of Rigs Drilling in Alberta**




*Source: Canadian Association of Oilwell Drilling Contractors*

## US Economy

***US labour market shows marked improvement...***

Some encouraging news emerged on the US jobs front in December. Payroll employment jumped a solid 200,000 last month, well ahead of market expectations of 155,000 jobs gained. All the gains came from the private sector, as the public sector shed 12,000 jobs. The unemployment rate dipped to its lowest level in three years, dropping 0.2 percentage points to 8.5%.

***Improvement in US Manufacturing ....***

The ISM manufacturing index, a broad measure of US manufacturing activity, gained 1.2 points in December to 53.9 (a reading above 50 indicates expansion).

December's expansion in manufacturing, combined with the positive job creation numbers, are both positive sign for US economy going into 2012.

# Current Economic Indicators

| Population | 2009 | 2010 | 2011YTD* | July | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|
| Population [1] (000's) (level) | 3,672 | 3,721 | 3,779 | 3,779 | -- | -- | 3,799 | -- | -- |
| % change | 2.2 | 1.3 | 1.6 | 1.6 | -- | -- | 1.7 | -- | -- |
| Net Interprovincial Migraton [1] (level) | 13,184 | -2,163 | 13,660 | 4,720 | -- | -- | 3,136 | -- | -- |
| Net International Migration [1] (level) | 16,835 | 21,533 | 14,093 | 8,313 | -- | -- | 7,580 | -- | -- |
| Net Non-permanent Residents [1] (level) | 19,162 | -77 | -7,988 | 1,233 | -- | -- | 2,295 | -- | -- |
| **Labour Market** | | | | | | | | | |
| Employment (000's) | 2,025 | 2,017 | 2,093.6 | 2,103 | 2,110 | 2,118 | 2,126 | 2,130 | 2,131 |
| % change NEW! | -1.3 | -0.4 | 3.8 | 3.8 | 4.2 | 4.8 | 4.3 | 4.8 | 4.9 |
| Unemployment Rate (%) | 6.6 | 6.5 | 5.5 | 5.5 | 5.6 | 5.4 | 5.1 | 5.0 | 4.9 |
| Participation Rate (%) NEW! | 74.3 | 72.9 | 73.7 | 73.9 | 74.1 | 74.2 | 74.1 | 74.1 | 74.0 |
| Average Weekly Earnings ($) | 950.01 | 993.13 | 1,036.43 | 1,026.42 | 1,044.26 | 1,050.15 | 1049.31 | -- | -- |
| % change | 2.8 | 4.5 | 4.7 | 2.6 | 4.3 | 4.5 | 4.5 | -- | -- |
| **Price Indices** | | | | | | | | | |
| Consumer Price Index | -0.1 | 1.0 | 2.4 | 1.9 | 2.9 | 2.8 | 3.4 | 3.2 | -- |
| Excluding food and energy | 1.4 | 0.8 | 0.8 | 0.4 | 0.8 | 1.4 | 1.1 | 1.5 | -- |
| Non-Res. Building Cons. Price Index [2] | -9.8 | -0.1 | 3.1 | -- | -- | -- | -- | -- | -- |
| Farm Product Price Index | -10.6 | -3.9 | 15.8 | 15.5 | 10.8 | 13.1 | 10.5 | -- | -- |
| Crops NEW! | -18.9 | -14.5 | 15.9 | 21.2 | 7.3 | 8.8 | 1.3 | -- | -- |
| Livestock | -2.8 | 5.7 | 16.8 | 13.8 | 15.4 | 14.6 | 18.3 | -- | -- |
| **Household Sector** | | | | | | | | | |
| Housing Starts (SAAR, 000's) | 20.0 | 27.1 | 25.0 | 25.6 | 31.2 | 24.3 | 32.0 | 28.7 | -- |
| % change | -31.6 | 33.5 | -8.7 | -12.6 | 32.8 | -12.0 | 23.6 | 32.3 | -- |
| New Housing Price Index | -9.0 | 0.5 | 0.4 | 0.1 | 0.2 | 0.0 | 0.7 | -- | -- |
| Edmonton | -11.2 | -0.8 | 0.9 | 1.1 | 0.9 | 0.6 | 1.1 | -- | -- |
| Calgary | -6.7 | 1.7 | -0.1 | -0.8 | -0.5 | -0.5 | 0.3 | -- | -- |
| MLS Average Resale Prices ($ 000's) | 340.5 | 350.9 | 355.7 | 353.6 | 356.9 | 362.4 | 358.3 | 360.4 | -- |
| % change | -3.1 | 3.1 | 0.8 | 0.4 | 2.4 | 2 | 2.9 | 1.8 | -- |
| Edmonton | 319.1 | 326.5 | 325.0 | 326.1 | 325.5 | 332.5 | 326.9 | 326.7 | -- |
| % change | -3.5 | 2.3 | -1.3 | 0.0 | -1.3 | 1.5 | 0.6 | -1.1 | -- |
| Calgary | 384.3 | 397.4 | 402.2 | 399.2 | 405.7 | 408.5 | 402.1 | 402.2 | -- |
| % change | -4.2 | 3.4 | 0.7 | -0.9 | 3.6 | -0.4 | 1.5 | -0.2 | -- |
| Retail Sales | -8.3 | 6.0 | 6.9 | 6.9 | 7.2 | 8.0 | 10.4 | -- | -- |
| New Motor Vehicle Sales | -21.7 | 9.3 | 8.9 | 7.0 | 5.7 | 5.5 | 20.0 | -- | -- |
| Consumer Bankruptcies | 9,986 | 8,150 | 4,929 | 534 | 595 | -- | -- | -- | -- |
| % change | 64.6 | -18.4 | -10.9 | -14.7 | -3.3 | -- | -- | -- | -- |
| **Business Sector** | | | | | | | | | |
| Rigs Drilling | 128 | 207 | 285 | 240 | 323 | 346 | 335 | 330 | 338 |
| % change NEW! | -45.6 | 61.3 | 37.9 | 20.8 | 45.4 | 95.5 | 28.7 | 19.4 | 25.8 |
| Goods Exports (customs based) | -36.6 | 12.4 | 16.0 | 16.4 | 24.5 | 27.2 | 18.1 | -- | -- |
| Energy | -40.2 | 17.2 | 17.1 | 19.2 | 25.2 | 27.3 | 21.9 | -- | -- |
| Agriculture | -12.3 | -14.4 | 9.1 | 8.4 | 7.4 | 29.5 | 23.3 | -- | -- |
| Total Farm Cash Receipts (quarterly) | -8.0 | -3.9 | 15.4 | 15.0 | -- | -- | -- | -- | -- |
| Manufacturing Shipments | -23.7 | 11.0 | 17.2 | 16.8 | 18.1 | 22.5 | 15.0 | -- | -- |
| Wholesale Trade | -15.9 | 10.8 | 14.6 | 15.9 | 14.2 | 12.5 | 17.1 | -- | -- |
| Building Permits | -14.2 | 2.1 | 7.4 | 17.4 | 39.4 | 29.6 | 13.2 | -- | -- |
| Residential | -11.8 | 24.7 | -0.3 | 9.5 | 29.0 | 33.3 | 22.5 | -- | -- |
| Non-residential | -16.3 | -19.0 | 18.7 | 30.3 | 53.0 | 24.6 | 0.9 | -- | -- |
| Business Bankruptcies | 405 | 378 | 174 | 15 | 26 | -- | -- | -- | -- |
| % change | -9.4 | -6.7 | -32.3 | -44.4 | -13.3 | -- | -- | -- | -- |

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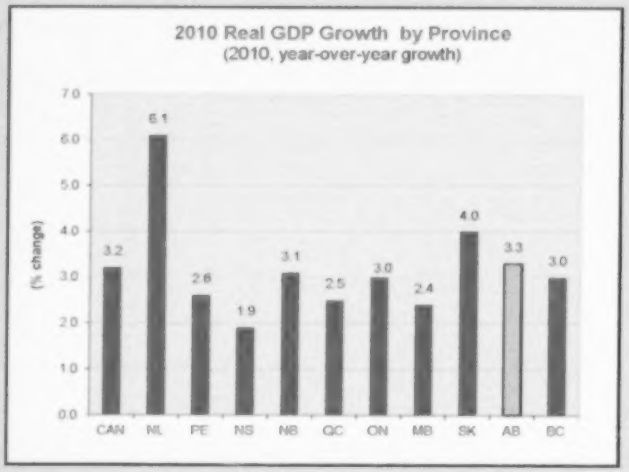
* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

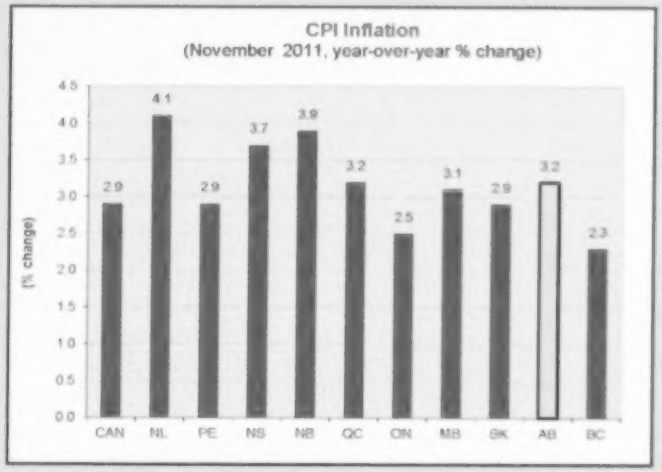
[1] Quarterly; annual numbers are presented on a census year basis (July 1–June 30).

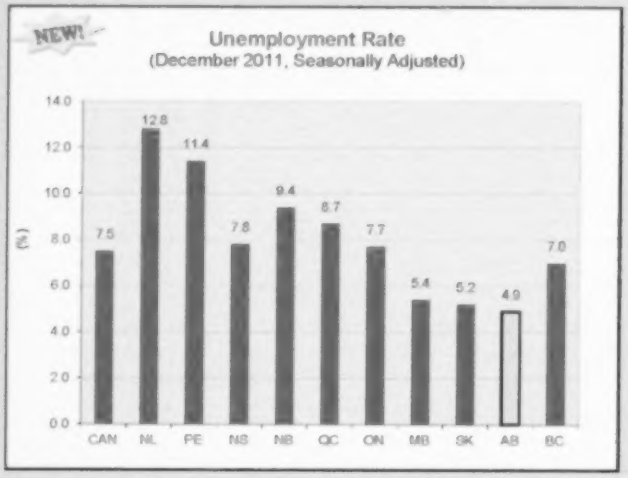
[2] Quarterly, average of Calgary and Edmonton

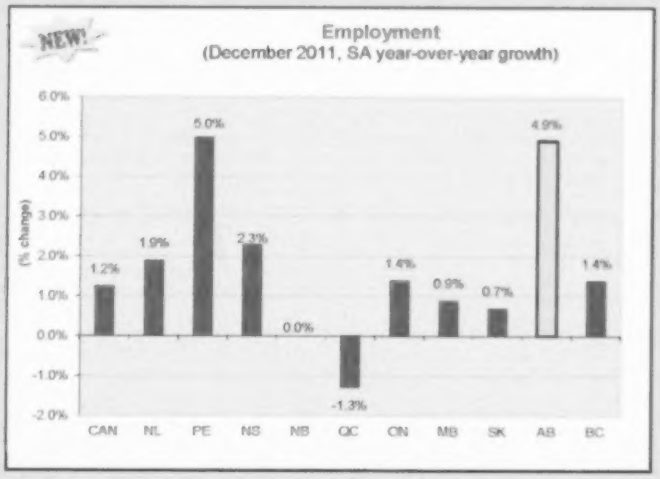
**Sources:** All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

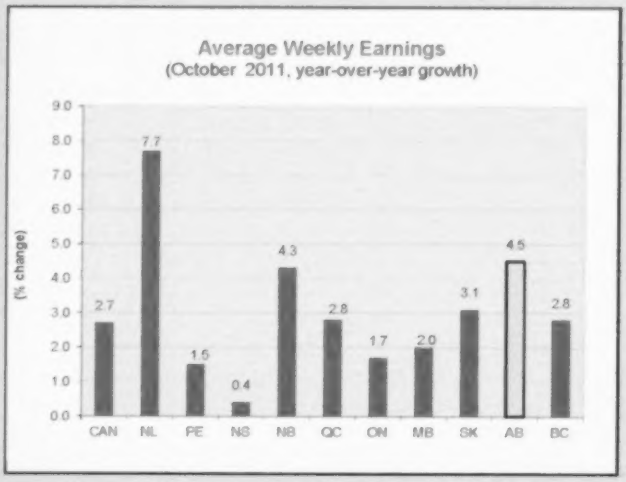
# Current Economic Indicators by Province

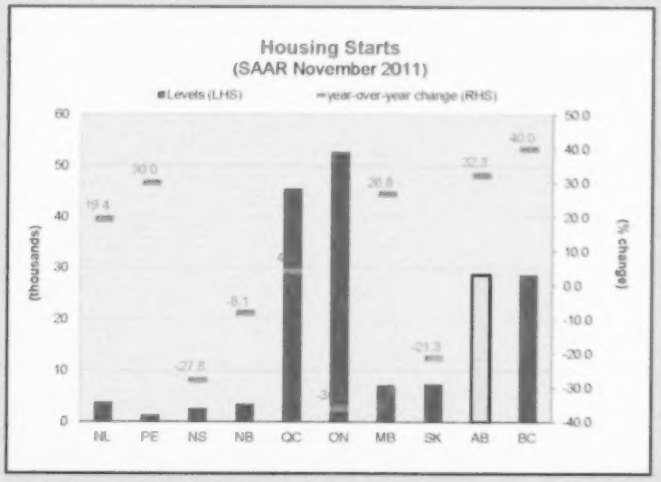
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